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COMMUNICATIONS LAW GROUP OCKET FILE COPY ORIGINAL 1030 15TH STREET, N.W., SUITE 908

WASHINGTON, D.C. 20005 (202) 371-0789 TELECOPIER (202) 371-1136

Richard S. Myers Jay N. Lazrus+ Lori B. Wasserman+

EX PARTE OR LATE FILED

James J. Keller* Gregory C. Eisemann*

*Communications engineer (non lawyer)

+Admitted to Maryland only

May 26, 1995

VIA HAND DELIVERY William F. Caton Acting Secretary Federal Communications Commission 1919 M Street N.W., Room 222 Washington, D.C. 20554

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FFDERAL COMMUNICATIONS COMMISSION TELE OF SECRETARY

Ex Parte Presentation by Telecellular

PR Docket No. 93-144

Dear Mr. Caton:

On behalf of Telecellular, enclosed is an original and one copy of a memorandum summarizing a presentation made to Rosalind Allen, Chief of the Commercial Wireless Division, Wireless Telecommunications Bureau. The presentation occurred on May 26, 1995.

If any questions arise concerning this matter, please contact the undersigned.

Very truly yours,

Richard S. Myers

Enclosure

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Telecellular Presentation Before FCC Staff

Telecellular is a joint venture of SMR licensees organized to provide wide area, digital, mobile telecommunications service to the island of Puerto Rico. The Commission has granted extended implementation authority to Telecellular, conditioned on the outcome of the rulemaking in PR Docket No. 93-144. Telecellular's presentation to the FCC staff addressed the following issues related to PR Docket No. 93-144:

- Telecellular has expended a substantial amount of resources in organizing the buildout of a wide area system in Puerto Rico under extended implementation authority. Telecellular has encountered substantial delay caused by the SMR application freeze. Last November, it submitted a request for waiver of the freeze to allow processing of 30 microcell applications, which remain pending. Telecellular believes that the waiver request and microcell applications can and should be granted within the next two weeks.
- The framework for resolving issues related to the treatment of SMR licensees that have been granted extended implementation authority should draw no distinctions between grantees whose authority was conditioned on the outcome of the rulemaking and those who happened to have such authority prior to the commencement of the rulemaking. The issue for all grantees of extended implementation authority (regardless of the date such authority was granted) should be whether they should continue to have the five year period for construction, or a lesser amount of time.
- A current grantee of extended implementation authority should continue to have the full five years to construct its wide area system. Telecellular's currently proposed extended implementation schedule calls for the construction of 73 sites by the end of the fifth year. These sites will cover at least 80% of the Puerto Rican population. Telecellular estimates that, by the time its waiver request is granted, it will have approximately 4½ years left of its extended implementation authority to reach the 80% coverage figure. Assuming a wide area license is granted 9 months from now, at that point Telecellular would have just 4 years to build 73 sites covering at least 80% of the population. In contrast, the wide area licensee would have 5 years to cover only

66% (2/3) of the population under the Commission's proposed rule Section 90.665(c). In sum, preserving the full 5-year construction period for Telecellular's extended implementation authority would result in wide area system coverage to a larger percentage of the population more quickly than what would be required of the wide area licensee.

Moreover, the Commission has already reasoned that a 5year extended implementation period is required for wide area system construction. The concept of wide area licensing should have no effect on the amount of time reasonably required to build a wide area system pursuant to existing extended implementation authority.